

REMARKS / ARGUMENTS

Applicants respectfully request reconsideration of the above-identified application. With the present response, claims 1, and 27 have been amended. No new matter has been added by virtue of these amendments. Claims 15-26 and 27-30 have been withdrawn as being directed to the non-elected invention.

I. 35 U.S.C. § 112

Claims 1, 2, 6-13 and 28 stand rejected under 35 U.S.C. § 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter that applicants regard as their invention.

To provide proper antecedent basis, claims 1 and 27 have been amended to recite --A method-- rather than "The method".

The Examiner has cited several terms and phrases that render the claims vague and ambiguous. Before looking at each of these specifically, Applicants would note that all of the cited terms are known in the field of information technology valuation and accounting and are being used with their conventional meanings.

Regarding claims 1, 2, and 8-13, the Examiner has cited the term "breakout" as being vague and indefinite.

Looking to the specification at page 5, lines 9-14, "A breakout of the information technology budget is carried out in conjunction with an assigned number of cost categories including fully loaded staff cost (FLSC), hardware cost, software cost, network cost, consulting cost and other or miscellaneous cost. These budget splits initially are segregated as internal splits and outsourced splits and then combined to provide a sequence of total budget cost categories." It may be understood from this description that a "breakout" is a breakdown of statistical data into constituent cost categories. Procedures are specifically described in the application for determining certain breakouts. Discussing Fig. 1 at page 32, lines, 18-20, "Block 36 looks to a procedure providing for the breakout of the IT budget and block 38 looks to a breakout of staffing costs and resources for the application or applications at hand. Referring to Fig. 3, the procedure for carrying out a breakout of the IT budget as represented at block 36 is set forth." In Fig. 4, the breakout represented at block 38 is illustrated at an enhanced level of detail. Page 35, lines 19-20. In view of the description provided in the specification and drawings, Applicants submit that the meaning of the term "breakout" is neither vague nor ambiguous.

Regarding claims 6 and 7, the Examiner has cited the phrase “budget splits” as being vague and indefinite.

Applicants first note that claims 6 and 7 recite determining “internal budget splits” and “outsourced budget splits”. As noted above, a breakout of the information technology budget is carried out, breaking down the IT budget into constituent cost categories (e.g., fully loaded staff cost (FLSC), hardware cost, software cost, network cost, consulting cost and other or miscellaneous cost). These constituent categories are the budget splits, which may be segregated as either internal budget splits and outsourced budget splits. Calculation of these budget splits are represented at blocks 48 and 56 (Fig. 3) and described at page 32, line 30 to page 34, line 8 (internal) and page 34, lines 9-34 (outsourced). Having identified what a budget split is and how internal and outsourced budget splits may be calculated, Applicants assert that this phrase is neither vague nor indefinite.

Regarding claim 12, the Examiner has cited the phrase “determining the percents by cost” as being vague and indefinite.

As recited in claim 12, the “percents by cost” is a quotient determined by dividing the corresponding internal gross cost by the summarized internal staff gross cost. Illustrative internal gross costs are provided in the specification at page 36, lines 1-27. For example, “The internal gross cost for senior manager staff (IGC_Sr_Mgr) is derived as represented at row 30 in Table 2 and is derived as a product of the percentage for internal senior managers retrieved from field 33 shown in Table 1 multiplied by the average salary for senior managers as retrieved from field 26 shown in Table 1.” Then, “[t]o achieve a normalization of cost associated with these functions, the gross cost for both internal staff and outsourced staff are summarized and then percentages by cost for each of the functions both internal and outsourced are computed utilizing the summarized gross cost for internal and outsourced staff.” Page 5, lines 21-24. The summarizing of gross costs is described at page 37, lines 21-29. “The procedure then continues as represented at arrow 76 in block 78 to summarize the calculated gross cost. This component of the procedure basically derives the gross cost internally and outsourced for all of the above staff functions. Accordingly, the summation of the internal gross cost (Sum_IGC) is computed as represented at row 91 shown in Table 2 as the sum of the internal gross cost staff functions developed in conjunction with block 74. Correspondingly, the sum of the outsourced gross cost for the six functions shown in block 74 (Sum_OGC) is computed as represented at row 90 in Table 2 as the sum of the outsourced gross cost derived in conjunction with block 74.”

Having fully outlined the procedures for determining the gross cost of internal staff and summarized outsourced staff gross costs, the quotient thereof is neither vague nor ambiguous.

Regarding claim 13, the Examiner has cited the phrase “fully loaded cost” as being vague and indefinite.

The phrase “fully loaded cost” is a term of art which means the total of the direct and indirect costs for a given cost object. Used in the present context, looking to Table 2, Rows 10 and 11, it may be seen that fully loaded costs for internal and outsourced staff include salary, benefits, etc.

Regarding claim 28, the Examiner has cited the term “typical” as being vague and indefinite.

Applicants would note first that the term “typical” is not being used in a vacuum. Claim 28 recites the step of determining “typical availability”. As defined in the specification, “typical availability” is “the percent of time a platform is generally up and available.” See Row 94 of Table 2. Typical availability is quantifiable value that may be easily calculated for any given application. As such, this term is not vague or ambiguous.

II. Requirement for Information under 37 C.F.R. 1.105

The Examiner has requested any known publications, brochures, manuals, and press releases that describe the “2.0 SAN Value Tool” software product, “ITCentrix Special Report” and the “ZD Studios’ New World Network Conference Series...” presentation.

Responsive to the Examiner’s request, submitted herewith are copies of the following documents:

- (1) November 1, 1999 press release regarding the SAN Value Software
- (2) Document entitled “SAN Value Model”
- (3) Press Release regarding ZD Studios’ New World Network Conference Series
- (4) Draft Position Paper for the ZD Studios’ New World Network Conference Series

III. Double Patenting

Claims 1-14 and 27-30 have been provisionally rejected on the ground of non-statutory obviousness type double patenting in view of claims 1-14 and 29-49 of co-pending application,

U.S. Serial No. 09/845,539. Upon indication that one or more claims are allowable in the present application, Applicants will submit a terminal disclaimer.

IV. 35 U.S.C. § 101

Claims 1-14 and 27-30 stand rejected under 35 U.S.C. § 101 as being directed to non-statutory subject matter.

First, the Examiner notes that the claims recite a series of steps and are considered for the purpose of analysis under 35 U.S.C. § 101 as reciting a series of steps. By this statement, Applicants assume that the Examiner is noting that the claims fall into the category of a process as opposed to a machine, manufacture or composition. The Examiner goes on to say that a process is statutory if it requires physical acts to be performed outside the computer independent of and following the steps performed by a programmed computer, where those acts involve the manipulation of tangible physical objects and result in the object having a different physical attribute or structure.

The Examiner's initial argument reflects the requirements for physical limitations and physical transformation which are part of the *Freeman-Walter-Abele* test. As noted by the Federal Circuit, "Whatever may be left of the earlier test, if anything, this type of physical limitations analysis seems of little value because 'after Diehr and Alappat, the mere fact that a claimed invention involves inputting numbers, calculating numbers, outputting numbers, and storing numbers, in and of itself, would not render it nonstatutory subject matter, unless, of course, its operation does not produce a 'useful, concrete and tangible result.'" AT&T Corp. v. Excel Communications, Inc., 172 F.3d 1352, 1359, 50 U.S.P.Q.2d 1447, 1453 (Fed. Cir. 1999), citing State Street Bank & Trust Co. v. Signature Financial Group, Inc., 149 F.3d 1368, 1374, 47 U.S.P.Q.2d 1596, 1601 (Fed. Cir. 1998). As such, the analysis of whether or not the recited claims involve the manipulation of physical objects is irrelevant to the claims at hand.

As the Examiner notes a mathematical algorithm applied in a practical manner to produce a useful, concrete and tangible result does meet the requirements of §101. With respect to the present claims, the Examiner states that "While these numbers may be concrete and/or tangible, there does not appear to be any useful result." In response, Applicants point to State Street Bank wherein the Federal Circuit held that the processing system at issue was patentable subject matter because the system takes data representing discrete dollar amounts through a series of mathematical calculations to determine a final share price - a useful, concrete and tangible result. Even though the claims at issue in State Street Bank involved a system rather than a process, the Federal Circuit expressly stated in AT&T that, "we consider

the scope of § 101 to be the same regardless of the form -- machine or process -- in which a particular claim is drafted." In that case, claims reciting a process for using data and Boolean algebra to generate a signal useful for billing purposes were held to be statutory subject matter under §101.

Applicants' claims are very similar to those involved in the State Street Bank case. Here, the claims involve performing a series of calculations to determine an organization specific value of an information technology application. See independent claims 1 and 27. This output clearly is tangible and concrete in that following the method always produces a value, (e.g., a number), associated with the information technology application. The method also produces a useful result. As noted in the specification, evaluating the business impact or dynamics of additions or improvements to initially installed legacy IT systems has been an illusive goal for business analysis, posing the dilemma of at least partially hunch-base procurement decisions on management. Application, page 3, lines 16-19. The claimed invention solves this problem by deriving the noted net business values for IT applications. "With the assessment approach of the invention, analysts or senior management may efficiently derive net application values for one or a portfolio of applications in conjunction with a broad variety of informative metrics. The latter aspect of the methodology permits the generation of a broadened variety of analytic reports for a presentation to managerial decision-making authority." Application, page 4, line 36 to page 5, line 3. Because the claims produce a useful, concrete and tangible result, they meet the requirements for patentability under §101.

V. Declaration of Inventorship

Included herewith is a supplemental declaration which corrects a deficiency in the originally-filed declaration. Specifically, the original declaration inadvertently omitted the provisional application information to which the present application claims priority. David P. Vellante, David A. Flowers and Leonard F. Swec have signed the supplemental declaration. Also included herewith is a Petition Under 37 C.F.R. 1.183 and MPEP § 603, requesting that the Commissioner waive the requirement for inventor Edward Gershenson to sign the supplemental declaration as he was presented with the supplemental declaration and has refused to sign it.

VI. Conclusion

In view of the foregoing, Applicants earnestly solicit a Notice of Allowance for all elected claims 1-14 and 27-30.

Respectfully submitted,

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CERTIFICATE OF MAILING

I hereby certify that this correspondence is being deposited on June 22, 2006 with the United States Postal Service as first class mail in an envelope addressed to:

Mail Stop Amendment
Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Jane Keeney

Amendments to the Drawings

Attached are 9 replacement sheets including Figs. 1-7. These replacement sheets replace the 7 sheets of drawings originally filed including Figs. 1-7. Figs. 1-7 have been amended to provide proper margins, as well as lines, numbers and characters that are appropriately thick, well defined, clean, durable and black, plain and legible, and of sufficient height. The figures also have been provided with proper figure legends.

With letters and characters of the proper height, certain figures could not be presented on a single page as originally filed. These figures have been broken into multiple parts as follows. Fig. 3 has been replaced by Figs. 3A and 3B. Fig. 4 has been replaced with Figs. 4A-C. Fig. 5 has been replaced with Figs. 5A-B.